

19 June 1998

**MEMORANDUM FOR: Chief Contracting & Procurement, Mary Price****SUBJECT: Price Proposals for the Lake Ontario Ordnance Works Project.**

1. Paul Polanski, of the Cost Engineering Branch has reviewed the price proposals for the above mentioned project and is unable to complete the technical analysis. The proposals fail to provide the information required by the contract specifications in Attachment 2 "Delivery Order Proposal - Price Breakdown ". Lack of this information precludes a meaningful evaluation of the proposals.
2. Attachment 2 is specific in requiring a detailed labor breakdown and individual unit costs for labor (including how they were derived). It also requires unit and extended costs for all equipment, specific identification of the work crews and crew productivity, a detailed breakdown of materials, their unit costs and the extended costs, along with the inclusion of material taxes as a separate line.
3. In lieu of providing this information for subcontracted work, Attachment 2 requires submission of "adequate price competition for each specific part of work". Subcontracting overhead and profit are required to be calculated on individual line items.
4. The proposal submitted by Energy & Environment Technology Company (EETCO) provides nothing more than the extended cost for each task or item (they do label this **as** "unit cost"). Subcontracted work is broken down into subtotals for trucking and disposal, chipping and grubbing, equipment leasing and rental, materials, and backfill, but neither the specified detail, nor evidence of "adequate price competition" was submitted in lieu there of.
5. The proposal from Environmental Quality Management (EQM) provides significantly more information for the work it intends to perform itself. For subcontracting work however only a single total amount is provided for each task/item. Once again, neither the specified detail, nor evidence of "adequate price competition" was included.
6. The inadequacies of the detail in the subcontracted portion are especially significant since EETCO and EQM propose subcontracting a substantially greater percentage of the work, than the 19% and 27% they indicated as subcontracted in the sample delivery order.
7. Both of these firms are familiar with, and capable of providing the required information since they both submitted sample delivery order proposals which met the requirements during the source selection process.
8. In conclusion, we request contracting request the information in accordance with the contract so that we can complete our Technical Analysis of the proposals and that we be kept informed of any progress in this matter.



Rich Gorecki  
Acting Chief, Cost Engineering Branch

CF: Fred Boglione  
Ray Pilon  
Jerry Ptak